

EXHIBIT 1

INTRODUCTION

Respondent Christie Stanley currently serves as the District Attorney for the County of Santa Barbara, having been elected to that office in June 2006. She began serving as the District Attorney on January 9, 2007. Prior to her election, Respondent Stanley served as an Assistant District Attorney in the Santa Barbara County District Attorney's office (the "District Attorney's Office") for fifteen years. She first began working for the District Attorney's Office in 1980.

In 2005, as an Assistant District Attorney for the County of Santa Barbara, Respondent was a designated employee, as defined in Section 82019, subdivision (c) of the Political Reform Act (the "Act")¹ and in the County of Santa Barbara's conflict of interest code. As required by the county's conflict of interest code, each designated employee is required to file an annual statement of economic interests by April 1st of each year that the employee remains in office. On the statement of economic interests, the designated employee must disclose reportable economic interests that he or she held during the preceding calendar year, according to specified disclosure categories incorporated into the county's conflict of interest code.

In this matter, Respondent failed to timely disclose the acquisition date for an investment interest on her 2002 annual statement of economic interests.

For the purposes of this stipulation, Respondent's violation of the Act is stated as follows:

COUNT 1: As an Assistant District Attorney for the County of Santa Barbara, Respondent Christie Stanley failed to timely disclose the date of acquisition for an investment interest on her 2002 annual statement of economic interests, filed on or about March 21, 2003, in violation of Section 87300 of the Government Code.

SUMMARY OF THE LAW

In order to avoid conflicts of interest, Section 81002, subdivision (c) provides that the assets and income of public officials which may be materially affected by their official actions should be disclosed and in appropriate circumstances the officials should be disqualified from acting.

In furtherance of this purpose, Section 87300 requires every state and local agency to adopt and promulgate a conflict of interest code. The agency's conflict of interest code has the force and effect of law, and any violation of the code is deemed a violation of the Act. (Section 87300.)

Section 87302 specifies that an agency's conflict of interest code must designate the employees who are required to disclose reportable investments, business positions, interests in real property and

¹ The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18109 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

income on a statement of economic interests. Section 87302, subdivision (b) requires a new designated employee to file an assuming office SEI within 30 days after assuming office, or 30 days after being appointed or nominated. In addition, the subdivision requires that the designated employee file annual SEIs at a time specified in the conflict of interest code and a leaving office SEI within 30 days of leaving their position with the agency.

Section 87206 sets forth the specific information to be reported when disclosing an investment interest or an interest in real property on an SEI. However, Section 87207, subdivision (f) provides that for purposes of disclosure, an “interest in real property” does not include the principal residence of the filer or other property which the filer utilizes exclusively as the personal residence of the filer.

SUMMARY OF THE FACTS

Respondent Christie Stanley was elected as the District Attorney for the County of Santa Barbara in June 2006, and began serving as the District Attorney on January 9, 2007. Prior to her election, Respondent Stanley served as an Assistant District Attorney in the Santa Barbara County District Attorney’s office (the “District Attorney’s Office”) for fifteen years.

Background

On March 13, 2007, the Enforcement Division received a complaint alleging that Respondent Stanley failed to report an interest in real property valued at \$1.3 million dollars on her 2005 statement of economic interests (“SEI”), which was filed on March 9, 2006. The complainant filed a 120-day civil demand pursuant to Section 91007 with the District Attorney’s Office, the Attorney General’s office and the Fair Political Practices Commission (“Commission”) alleging this disclosure violation, and also claiming that the transfer of property violated the gift limit prohibitions of the Act.² The complaint also alleged violations related to Respondent Stanley’s disclosure of investment interests on her SEIs for calendar years 2002 through 2004. The complainant alleged that Respondent Stanley failed to report the acquisition and disposal dates for various investment interests in the form of stock on SEIs for several years.³ The Enforcement Division conducted an investigation into the allegations in the complaint.

As the Assistant District Attorney for the District Attorney’s Office during 2002 through 2006, Respondent Stanley was a designated employee in the conflict of interest code for the County of Santa Barbara. As an Assistant District Attorney, she was required to file an annual SEI on April 1st of each year with the Santa Barbara County Clerk, disclosing economic interests that she held in the preceding calendar year. According to the five specific disclosure categories set forth in the county’s conflict of interest code pertaining to her position, Respondent Stanley was required to: 1) report any interests in real property within the jurisdiction of the District Attorney’s Office; and to report any investment interests, sources of income or business positions with persons or business entities which: 2) engaged

² The complaint was also forwarded by Respondent Stanley, as the civil prosecutor, to the Commission’s Enforcement Division for handling pursuant to Section 91001, subdivision (b).

³ The complainant mistakenly alleged that Respondent was required to report an acquisition date and a disposal date for each stock investment interest reported on each SEI that was filed. However, the Act only requires the disclosure of these dates if the investment interest is acquired or disposed of during the reporting period covered by the SEI. There is no continuing requirement to report the acquisition and disposal dates on subsequent SEIs.

in the appraisal, acquisition, or disposal of real property in the jurisdiction of the District Attorney's office; 3) within the previous 2 years, had provided or contracted to provide supplies, services, materials, machinery or equipment for the use of the District Attorney's Office; 4) within the previous 2 years, had furnished or contracted to furnish supplies, services, materials, machinery or equipment as a subcontractor in any contract with the District Attorney's Office; and 5) were of the type that were subject to regulation or supervision by the District Attorney's Office. With respect to disclosure categories 3 and 4 above, the designated employee, within the previous 2 years, also needed to have made, participated in making, or in any way attempted to use his or her official position to influence the governmental decision to obtain or procure services, supplies, materials, machinery or equipment of the same or similar type as those to be contracted or subcontracted to the District Attorney's Office, or it was reasonably foreseeable that the designated employee might engage in that activity. With respect to category 5 listed above, the designated employee's duties needed to be involved in the supervision or regulation of the type of business entity or source of income specified.

The above five disclosure categories establish the specific criteria for the disclosure of Respondent Stanley's economic interests on SEIs that she was required to file as an Assistant District Attorney.

1. Real Property Interest

On February 2, 2005, Jeanette Claycamp filed a grant deed with the County of Santa Barbara transferring title of her real property located at 2681 Flora Road in Lompoc to Respondent Stanley and her husband, Gary Stanley. On the grant deed filed with the County of Santa Barbara the word "GIFT" was hand-written at the top. The complainant alleged that this 20 acre parcel was a gift to Respondent Stanley which she failed to report as an interest in real property and as a gift on her 2005 SEI. In addition, the gift may have violated the gift limitations found in Section 89503, subdivision (b).⁴

Commission staff contacted Respondent Stanley and learned that Jeanette Claycamp is Respondent's mother. As such, the transfer of real property does not constitute a gift under Section 82028, subdivision (b)(3), and therefore, the gift limit provisions are not applicable. Respondent Stanley stated that the transfer was made as a family accommodation so that she and her husband could take care of her elderly and aging mother. Respondent and her husband had planned to build a second home on the property, and needed to transfer title of the property to qualify for a construction loan. They have since abandoned these plans, and the real property was transferred back to Jeanette Claycamp and the deed was recorded on April 27, 2007.

In addition, pursuant to Section 87206, subdivision (f), Respondent Stanley was not required to disclose an interest in real property that was her principal residence or was utilized exclusively as the personal residence of Respondent. The Commission has long advised that the "personal residence" of the filer includes real property of the filer that is used as the personal residence of the filer's parents, grandparents or other family members. (*Gonzalez Advice Letter*, No. A-05-251; *Brokaw Advice Letter*, No. A-91-115; *Miller Advice Letter*, No. A-99-240.) The personal residence exception applies as long

4 Respondent Stanley filed her statement of organization to run for district attorney on March 27, 2003, and therefore, she was a candidate for elective office in a local government agency subject to the gift limit provisions set forth in Section 89503, subdivision (b).

as the property at issue is not a place of business, and/or the filer does not receive any rental income or others fees or payment for the use of the property. Respondent stated that only her mother, Jeanette Claycamp, lives in a residence located on the property at issue, and that Respondent does not receive any rental income or other payments for the use of the real property. Based on these facts, and the exception contained in Section 87206, subdivision (f), Respondent was not required to disclose the real property on her SEIs as an Assistant District Attorney, or as the current District Attorney, for the County of Santa Barbara. The fact that she reported this interest in real property on her amended 2005 SEI and on her original 2006 annual and assuming office SEIs, constitutes over-reporting on her part.

2. Investment Interests

On Respondent Stanley's SEIs for calendar years 2002 through 2006, she reported various investment interests in the form of stock from the following entities: Motorola Equity Inc., Superconductor Technologies, Sun Microsystems, Heritage Oaks Bank, Look Smart, Ltd., Amtech Systems, Inc., Grey Wolf Inc., JDS Uniphase, and Avanex. Although she properly reported the name, general description, fair market value and nature of these investment interests, in eight instances on her annual SEIS for 2002 through 2004, she failed to report the date the investment interest was acquired. In two instances, she acquired the investment interest through her marriage to Gary Stanley on December 7, 2002. On May 15, 2007, Respondent filed amendments to the foregoing SEIs to disclose the acquisition dates for these investment interests.

However, upon receipt of Respondent's amendments, Commission staff reviewed the county's conflict of interest code and the disclosure categories discussed above for Respondent's designated position as an Assistant District Attorney. Based on information subsequently provided by Respondent, the only investment interest in the form of stock that met the criteria for disclosure under the disclosure categories set forth in the county's code was Sun Microsystems. As such, Respondent Stanley was only required to report Sun Microsystems as an investment interest on her SEIs beginning in calendar year 2002. She was not required to disclose an investment interest in Motorola Equity Inc., Superconductor Technologies, Heritage Oaks Bank, Look Smart, Ltd., Amtech Systems, Inc., Grey Wolf Inc., JDS Uniphase, and Avanex.

COUNT 1

Failure to Timely Report Information Regarding an Investment Interest On a Statement of Economic Interests

On June 27, 2002, Respondent acquired an investment interest in the form of stock in Sun Microsystems with a fair market value in excess of \$2,000. The investment interest met the criteria set forth in the disclosure categories of the county's conflict of interest code.

On March 3, 2003, Respondent filed her 2002 annual SEI with the County of Santa Barbara, disclosing the name, general description, fair market value and nature of her investment interest in Sun Microsystems. However, Respondent failed to report the date she acquired the stock.

On May 15, 2007, following contact by Commission staff, Respondent filed an amendment to her 2002 annual SEI disclosing that she acquired the investment interest in Sun Microsystems on June 27, 2002. The investment actually was acquired by Respondent's husband on that date, and she did not technically acquire her interest until their marriage on December 7, 2002. Respondent filed an

amendment on May 29, 2007 reflecting this information. With respect to all of the other investment interests that Respondent disclosed on her SEIs for calendar years 2002 through 2006, she was not required to report these interests because they did not meet the criteria set forth in the disclosure categories in the County of Santa Barbara's conflict of interest code. By doing so, Respondent over-reported these economic interests.

By failing to timely disclose the acquisition date for her investment interest in Sun Microsystems on her 2002 annual statement of economic interests, Respondent Christie Stanley violated Section 87300.

CONCLUSION

This matter consists of one count of violating Section 87300, which carries a maximum administrative penalty of Five Thousand Dollars (\$5,000).

Respondent omitted the disclosure of an acquisition date on her SEI, but the omission was not intentional, and was an oversight. Respondent filed amendments to correct alleged reporting errors promptly upon being contacted by Commission staff. The omission of the acquisition date for her investment interest is of a minor nature since it did not deprive the public of the knowledge of Respondent's ownership of the stock in question, only the date it was acquired.

Respondent does not have a prior enforcement history, cooperated fully in the investigation, and was candid in all regards with the information she provided to the Commission. Respondent has demonstrated good faith in her attempts to make the disclosures required by law as evidenced by her disclosing several ownership interests in property and investments not required to be disclosed in her SEIs.

The facts and circumstances of this case, including the foregoing factors, justify imposition of the agreed upon penalty of Three Hundred Dollars (\$300).